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DEPARTMENT OF THE NAVY
Office of the Chief of Naval Operations
Washington, DC 20350-2000

OPNAVINST 1650.8C
OP-132H6
15 April 1988

OPNAV INSTRUCTION 1650.8C

From: Chief of Naval Operations
To: All Ships and Stations (less Marine Corps field addressees not having Navy Personnel attached)
Subj: CASH AWARDS FOR MILITARY PERSONNEL FOR SUGGESTIONS, INVENTIONS, SCIENTIFIC ACHIEVEMENTS AND DISCLOSURES
Ref: (a) Title 10 USC 1124
(b) DODINST 5120.16 of 15 Jul 74 (NOTAL)
(c) SECNAVINST 5305.2
(d) Title 35, USC
(e) Executive Order 10096 of 23 Jan 50 (NOTAL)
(f) Executive Order 10930 of 24 Mar 61 (NOTAL)
(g) SECNAVINST 5870.3B
(h) NAVCOMPT Manual
(i) SECNAVINST 1650.IE
(j) OPNAVNOTE 1650 Ser 132/7U376369 of 24 Aug 87
(k) FMSOINST 4200.IB (NOTAL)
Encl: (1) Cash Award Authority
(2) Operations of the Military Cash Awards Program
(3) Suggestions
(4) Inventions
(5) Scientific Achievements
(6) Productivity Excellence Awards
(7) Determination and Payment of Awards
(8) Cash Awards for Pricing Hotline Inquiries
(9) Promotion and Publicity
(10) MILCAP Review Checklist
(11) DD 1609, Incentive Awards Program Annual Report (Military Personnel)

1. Purpose. To define responsibilities and prescribe procedures for the administration, operations and reporting of the Department of the Navy (DON) Military Cash Awards Program (MILCAP) authorized by references (a), (b) and (c). References (d) through (g) pertain to inventions; reference (h) governs funding procedures; and reference (i) pertains to honorary awards. References (j) and (k) pertain to guidelines for awards resulting from Navy Pricing Hotline inquiries and the Buy Our Spares Smart (BOSS) Program.

2. Cancellation. OPNAVINST 1650.8B.

3. Objectives

a. Encourage military personnel to suggest practical ways to reduce costs and improve productivity in the Navy, DOD and other federal government operations.

b. Provide formal channel for communications between management and personnel.

c. Maintain working conditions where imagination, creativity, and innovation are encouraged.

d. To ensure that the evaluation of suggestions are unbiased, consistent, timely and efficient.

e. Recognize and award promptly and equitably all eligible military personnel for disclosures, suggestions, inventions or scientific achievements that contribute to the efficiency, economy or other improvement of Government operations.

4. Discussion

a. Production improvements which have occurred as a direct result of individuals submitting ideas which suggest more efficient methods to conduct business are well documented in both

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OPNAVINST 1650.8C

15 April 1988

private industry and the Federal Government.

Navy management should strive to create working conditions which encourage participation in suggestion programs. Avenues of communication should be available and ideas/suggestions for improvement solicited actively to achieve Military Cash Awards Program (MILCAP) objectives. Commanding officers should authorize awards when suggestions are adopted for local use and recommend wider adoption when appropriate.

- A) **b. Changes incorporated into this instruction,** pertaining to Reservist eligibility, processing of inventions, submission of productivity excellence award and maximum cash award payments, have been promulgated by official correspondence within DOD. These changes will be reflected in the revision to DODINST 5120.16 (reference (b)).

5. Authorization of Payment

a. Maximum award. The President of the United States and the Secretary of Defense are authorized by Congress to pay cash awards up to \$25,000 for a contribution which benefits the Government.

b. Other awards. The Secretary of the Navy (SECNAV) is authorized to pay cash awards up to \$10,000 for a contribution which benefits the Government. Authority to pay lesser amounts is delegated as set forth in enclosure (1).

6. Action. Addressees will establish an active Military Cash Awards Program for all military personnel in accordance with policies set forth in enclosures (1) through (8) and guidance in enclosures (9) through (11). To ensure effective administration and promotion of command programs, a MILCAP administrator will be designated within each command.

a. Promotion. Chief of Information (OP-09C) will prepare publications and other material to help MILCAP administrators and command officials plan promotion campaigns.

b. Publicity. In an effort to stimulate awareness of and participation in MILCAP, the Chief of Naval Operations (OP-13) will distribute information on MILCAP award winners to the Navy news media. The Department of Navy Awards Review Panel (DARP) is responsible for publicizing recipients of awards requiring SECNAV or higher approval, including those granted by organizations and agencies outside DON. Enclosure (9) gives specific guidance for promotion and publicity. In cases where MILCAP awards of \$1,000 or more are made, the following information will be sent to Chief of Naval Operations (OP-132H6), Washington, DC. 20350-2000:

- (1) Name and rank of award recipient.
- (2) Hometown of award recipient.
- (3) Address of present assignment (phone number if available).
- (4) Amount of savings.
- (5) Amount of award.
- (6) Date of award presentation.
- (7) Brief description of suggestion resulting in award (including savings to the Navy).
- (8) Publicity photographs, if available.

c. Training. Chief of Naval Education and Training (CNET) shall develop and issue a presentation on MILCAP in all entry level programs (Recruiter Training Commands, Surface Warfare Officer Schools, Officer Candidate Schools, etc.), Leadership, Management, Education and Training (LMET), and senior officer and enlisted courses (Senior Shore Management Institute, Senior Enlisted Academy, etc.). Courses and material supplied for training orientation of personnel shall include objectives and operations of MILCAP.

7. Reports, Forms and Posters

a. Report Symbol DD-FM&P(A) 1345(1650) is assigned to the reporting requirement contained in paragraph 6b of the basic instruction and enclosures (6) and (11) are approved for three years only from the date of ~~this instruction~~

CHANGE TRANSMITTAL 1.

b. Forms. The following are available through normal supply channels per NAVSUP P2002:

FORM NO.	TITLE	STOCK NO.
NAVCOMP 2277(8 part)	Voucher for Disbursement or Collection	0104-LF- 702-2770
DD 1609	Incentive Awards Program Annual Report (Military Personnel)	0102-LF- 001-6090
NAVSO 5305/5	Contribution Investigation Report	0104-LF- 905-0525
OPNAV 5305/1	DON Suggestion	0107-LF- 053-0505

c. Posters. The following are available through normal supply channels per NAVSUP P2002:

TITLE	STOCK NO.
CAP'N MILCAP	0420-LP-132-1800
Suggestions Mean Extra Paydays	0420-LP-013-0100
Save the Navy Money	0420-LP-013-0200
Group Suggestion	0420-LP-013-0300
Make the Best Suggestions	0420-LP-013-0400
THINK BIG....SUGGEST	0420-LP-400-0700
THINK TEAMWORK.... SUGGEST	0420-LP-400-0800
THINK RESULTS....SUGGEST	0420-LP-400-0900
THINK NAVY....SUGGEST	0420-LP-400-1000
THINK AMERICA....SUGGEST	0420-LP-400-1100
THINK DEEP....SUGGEST	0420-LP-400-1200
SUGGEST A BETTER WAY	0420-LP-400-1300
LEND A HAND....SUGGEST	0420-LP-400-1400
THINK BIG....SUGGEST	0420-LP-400-1500
'TIS THE SEASON TO SUGGEST	0420-LP-400-1600

L. A. EDNEY
Deputy Chief of Naval Operations
(Manpower, Personnel and Training)

Distribution:
SNDL Parts 1 and 2

Commander:
Naval Data Automation Command
(NAVDAC 813)
Washington Navy Yard
Washington, DC 20374-1662 (200 copies)

Stocked:
CO, NAVPUBFORMCEN
5801 Tabor Avenue
Philadelphia, PA 19120-5099 (500 copies)

15 APR 1988

CASH AWARD AUTHORITY

Approval Authority	Cash Award (maximum)
Commander, Commanding Officers, and Directors	\$5,000
Chief of Naval Operations	\$7,500
Vice Chief of Naval Operations	
Chief of Naval Research	
Commander in Chief, U.S. Atlantic Fleet	
Commander in Chief, U.S. Pacific Fleet	
Commander in Chief, U.S. Naval Forces Europe	
Unified Commands (USCINCLANT/USCINCPAC only)	
Commander Second Fleet	
Commander Third Fleet	
Commander Sixth Fleet	
Commander Seventh Fleet	
Commander, Naval Air Systems Command	
Commander, Naval Sea Systems Command	
Commander, Naval Facilities Engineering Command	
Commander, Naval Supply Systems Command	
Commander, Naval Space and Warfare Systems Command	
Commander, Naval Reserve Force	
Chief of Naval Education and Training	
Commander, Naval Medical Command	
Commander, Naval Security Group Command	
Commander, Naval Intelligence Command	
Commander, Naval Telecommunications Command	
Commander, Naval Security and Investigative Command	
Commander, Naval Oceanography Command	
Director, Strategic Systems Programs	
Commander, Naval Data Automation Command	
Commander, Naval Military Personnel Command	
Commander, Military Sealift Command	
Commander, Naval Air Force, U.S. Atlantic Fleet	
Commander, Naval Air Force, U.S. Pacific Fleet	
Commander Naval Surface Force, U.S. Atlantic Fleet	
Commander Naval Surface Force, U.S. Pacific Fleet	
Commander Submarine Force, U.S. Atlantic Fleet	
Commander Submarine Force, U.S. Pacific Fleet	
Commander Naval Logistics Command, U.S. Pacific Fleet	
Commander Training Command, U.S. Atlantic Fleet	
Commander Training Command, U.S. Pacific Fleet	

Enclosure (1)

OPNAVINST 1650.8C
15 APR 1988

Office of the Chief of Naval Operations
Assistant Vice Chief of Naval Operations
Deputy Chief of Naval Operations, Navy Program Planning
Director, Naval Medicine/Surgeon General
Director, Space, Command and Control
Deputy Chief of Naval Operations, Naval Warfare
Director of R&D Requirements, Test and Evaluation
Chief of Chaplains/Director of Religious Ministries
Director of Naval Reserve
Oceanographer of the Navy
Special Assistant for Inspection Support
Director of Naval Intelligence
Deputy Chief of Naval Operations (Manpower, Personnel and Training)
Assistant Chief of Naval Operations (Undersea Warfare)
Assistant Chief of Naval Operations (Surface Warfare)
Deputy Chief of Naval Operations (Logistics)
Assistant Chief of Naval Operations (Air Warfare)
Deputy Chief of Naval Operations (Plans, Policy and Operations)
Other Commands and Activities
Chief of Naval Air Training
Commander, Navy Recruiting Command
Commandant, Naval District Washington
Chief of Naval Technical Training
Director, Office of Civilian Personnel Management
Director, Naval Civilian Personnel Center

Secretary of the Navy	\$10,000
Secretary of Defense	\$25,000
President of the United States	

NOTE:

1. Those commanders who are flag rank and civilian equivalents listed above are authorized to subdelegate any part of their award authority.
2. The amounts stated are maximum total amounts and include all awards approved at lower level in the chain of command.

Enclosure (1)

OPERATION OF THE MILITARY CASH AWARDS PROGRAM

1. Eligibility. All active duty Navy personnel, officer and enlisted, Naval Academy midshipmen, officer candidates, and members of the Navy Reserve in an active status (Ready Reserve and S-1 Standby Reserve), are eligible to participate in the program. Members of other United States military services while assigned to jointly staffed activities for which the Navy has administrative and support responsibility and Coast Guard personnel when operating under DON are also eligible.

2. Definitions and limitations

a. Definitions

(1) Contribution. Any suggestion, invention, or scientific achievement which contributes to economy, efficiency or other improvement in Government operations is eligible for award consideration. Breadth of application and degree of significance do not affect eligibility for an award consideration.

(2) Adoption. A suggestion actually put into effect by responsible authority or a written commitment to put a suggestion into effect.

(3) Award. Either a cash amount granted for a contribution of value or non-cash recognition in the form of letters of commendation or appreciation, appropriate certificates or citations. Reference (i) gives specific guidance for recommending the Navy Commendation or Achievement medals to individuals for meritorious achievements "such as to constitute a definite contribution to the naval service, such as an invention, or improvement in design, procedure, or organization." Awards will be paid by the benefiting command(s). Enclosure (6) gives the criteria and reporting procedure for the Secretary of Defense Productivity Excellence Award.

(4) Tangible benefits. Benefits measured and expressed in terms of dollar value.

(5) Intangible benefits. Benefits which cannot be expressed in a specific monetary value.

(6) First full year. The first 12 consecutive months the improvement is in operation, exclusive of trial periods, experimentation or periods of deferred implementation. This estimated time period is used to decide value of benefits as a basis for calculating amount of an award. If the contribution has a high installation cost and yields measurable savings for more than one year, cost of installation may be distributed over

Enclosure (2)

15 APR 1988

a period of years. The distributed cost may not exceed the reasonable life of installation and is defined as estimated time of use or 20 years, whichever is shorter.

(7) Normal job expectancy. Cash awards may be granted to individuals or groups for suggestions found to be outside job responsibilities or sufficiently beyond normal job responsibilities. Commanding officers shall decide whether suggestions are beyond normal job expectancy. Organization, function, and classification manuals are helpful in defining normal standards of performance. No one shall be barred from award consideration simply because of rate or rank. The following will assist in measuring the suggestion against normal job expectancy:

(a) If the suggester has the authority to put the idea into effect, the suggestion is within the normal job expectancy.

(b) Is the contribution creative?

(c) Is the suggestion unusual for the rate or rank?

(d) Does the suggestion represent a new concept or an innovation with substantial benefits?

(e) Is the contribution beneficial to other commands or agencies?

b. Limitations

(1) Time Limit of Submission. One year following date of adoption. Suggestions are usually submitted for evaluation prior to their adoption, but an idea may be adopted as a result of an oral or written proposal outside for MILCAP channels. The suggestion may still be considered for a cash award if submitted in writing within one year following adoption and the suggester's claim as author of the proposal can be verified.

(2) Time limit on "ownership rights" for award consideration. Three years following date of final action on the suggestion by a MILCAP award office. If a non-adopted suggestion is placed into operation after the three-year time expires, the suggestion is not eligible for an award. When a suggestion is not adopted, the suggester maintains ownership rights within the local activity for the remainder of the three-year period. If the suggestion is implemented during that period, wholly or in part, the suggestor is entitled to adoption credit and award

15 APR 1988

consideration. A duplicate or additional suggestion on an idea submitted after a command has already adopted or committed the idea for adoption is ineligible for an award.

(3) Request for reconsideration. A written request justifying reconsideration must be submitted to local MILCAP award authority within 90 days following date of notification of final adoption or non-adoption decision. The reconsideration request may involve award eligibility, merit of the suggestion or award decision.

(4) Suggestions relating to private contractors. Suggestions on improvement of contracted materials or services are eligible for award consideration if the improvement shows tangible or intangible benefits to the Government. Contracts may vary, making it difficult to identify benefits to be gained. Consult appropriate technical offices or commands before granting any award for a suggestion of this kind.

(5) Separated or deceased personnel. Awards may be made to separated personnel or estates of deceased personnel for any written suggestion submitted while on active duty.

3. Responsibilities

a. The Chief of Naval Operations (OP-13) is responsible for:

(1) Developing and issuing Department of Navy MILCAP policy.

(2) Assigning a DON MILCAP administrator with responsibility for:

(a) Managing DON MILCAP.

(b) Serving as DON liaison with DOD and other federal agencies on MILCAP issues.

(c) Aiding in development of training programs on the DON Incentive Awards Program for command incentive awards administrators and assisting commands in developing training on incentive awards.

(d) Providing advice and guidance on DON MILCAP.

(e) Developing awards materials.

(f) Consolidating DON annual report for DOD.

Enclosure (2)

15 APR 1988

b. Major claimants and type commanders are responsible for:

- (1) Assigning a MILCAP administrator.
- (2) Granting honorary and cash awards per this instruction.
- (3) Reviewing awards submitted through the chain of command and requiring SECNAV approval.

c. Commanding officers are responsible for:

- (1) Assigning a command MILCAP administrator.
- (2) Implementing their command's MILCAP.
- (3) Providing command support for MILCAP to improve productivity and encourage submission of written suggestions within the activity.
- (4) Ensuring adequate funds are available for prompt action on awards and MILCAP operating expenses.
- (5) Ensuring prompt processing of suggestions as set forth in enclosure (3).
- (6) Submitting the annual report in enclosure (11) via chain of command to their major claimants for consolidation.
- (7) Reviewing/endorsing annual reports.

d. Command MILCAP administrator shall be responsible for:

- (1) Effecting implementation of command MILCAP.
- (2) Ensuring all necessary forms are available.
- (3) Conducting an annual review of command MILCAP using enclosure (9) and reporting results to their commanding officer.
- (4) Maintaining a record file on suggestions and their current status of processing.
- (5) Advising suggester of status of processing.
- (6) Submitting the annual report in enclosure (11) via chain of command to their major claimants for consolidation.
- (7) Reviewing/endorsing annual reports.

Enclosure (2)

4. Documentation. Each contribution must be documented showing the individual has met standards prescribed for an award. Such documentation should be specific but brief, indicating results and tangible or intangible benefits received from the contribution. A suggestion for an award over \$7,500 requires review by the Department of the Navy Awards Review Panel (DARP) and will contain a specific statement of savings claimed. All documentation letters shall be signed by the commanding officer.

5. Claim Waiver. Acceptance of a cash award constitutes an agreement that use by the Government of the United States of any idea, method or device for which an award is made, shall not form the basis for a further claim of any nature upon the Government of the United States by an individual, heirs or assigns.

6. Records of Awards. Awards to Navy personnel shall be reflected in their next Enlisted Performance Evaluation or Officer Fitness Report.

SUGGESTIONS

1. Definition: A constructive idea submitted in writing by an individual or group that proposes a method to do a task better, faster, cheaper or safer. Suggestions usually relate to a suggester's own work. A suggestion need not be new or original but must show a specific problem and give a workable solution.

a. Eligible suggestions. Eligible suggestions do one or more of the following:

- (1) Simplify or improve operations.
- (2) Save time needed to complete a task.
- (3) Speed up production.
- (4) Increase output and enhance productivity.
- (5) Improve procedures, operating methods or equipment, work-space layouts and organizations.
- (6) Save material or property.
- (7) Save manpower or money.
- (8) Eliminate waste.
- (9) Promote health.
- (10) Increase safety.
- (11) Improve morale through desirable and workable personnel services that increase productivity.

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b. Ineligible suggestions. Ineligible suggestions include:

- (1) Calling attention to need for routine maintenance, repair or purchase of ordinary supplies and materials.
- (2) Increasing personal comfort, convenience or desires of the suggester and benefitting no other personnel.
- (3) Recommending enforcement of existing directives or regulations.

2. Submission. Suggestions must be in writing, preferably on DON Suggestion form (OPNAV 5305/1), and sent to the commanding

Enclosure (3)

15 APR 1988

officer via the MILCAP administrator and chain of command. The Processing Guide, Table I of this enclosure, will aid in processing suggestions promptly. Local procedures shall be established ensuring duplicate suggestions are recognized as such and individuals submitting the original suggestion receive adoption credit and award if eligible. When a duplicate suggestion motivates action in adopting a rejected suggestion, the duplicate suggestion may also receive an award.

3. Processing. Commands will implement the following actions to ensure prompt processing of suggestions.

- a. Assign a MILCAP administrator.
- b. Process suggestions at each approval level within 30 days from date of receipt.
- c. Establish a tickler/tracking system which alerts all concerned to delays in processing. A Navy-wide MILCAP computerized tracking system is currently being developed and is expected to be online in FY-89.
- d. Designate suggestion coordinator (individual who assigns objectives, work or priorities) within each major section or department to whom the MILCAP administrator routes suggestions for evaluation.
- e. Provide recognition for evaluators, suggestion coordinators and MILCAP administrators who expeditiously complete all requirements or have contributed in evaluating suggestions which produced substantial benefits to the Navy.
- f. Pay cash award or at least an initial award when the commitment is made to adopt a suggestion. Do not wait for the suggestion to be implemented to pay awards.
- g. Ensure that suggestions are forwarded for higher review only when:
 - (1) Cash award is paid up to authorized limit, but recommended total award amount is greater than that authorized for commanding officer to give; or
 - (2) suggestion may have possible implications for other commands; or

Enclosure (3)

(3) command does not have technical expertise to evaluate or authority to implement the suggestion.

i. Provide feedback to the suggester on the status of processing every 60 days until final decision is made.

j. Provide training for evaluators, MILCAP administrators and suggestion coordinators.

k. Require MILCAP administrator to give specific instructions as to evaluator's responsibilities when routing suggestions.

4. Procedures. Suggestions should be processed using the Contribution Investigation Report form (NAVSO 5305/5). The originating command maintains responsibility for status of processing. Special situations such as trail periods or changes to directives may extend evaluation time. If the commanding officer expects adoption, an initial award may be presented. Enclosure (7) gives guidance for initial awards.

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5. Issuance of suggestions. Suggestions shall be sent to suitable commands to gain maximum benefit from MILCAP. Awards for suggestions adopted at the local level should be paid while waiting for evaluation results from other potential users. If the suggestion is adopted on a broader level, any larger award will be given in conjunction with the award given at the local level so as to not exceed the award limit at the higher level.

a. Forwarding within DON. Commands shall observe established military channels to process suggestions. When considered beneficial to other activities and if a suggestion's total value is uncertain following evaluation at the local level but still worthy of consideration, the suggestion shall be forwarded for further evaluation. Type commanders are responsible for original funding and coordination with other commands for suggestions sent to these commands for additional consideration. The MILCAP administrator will begin action to send the suggestion to other major claimants for evaluation. Feedback reports of adoption by other organizations will be returned to the originator's type commanders to decide on any other award. When a suggestion is sent outside a command, the case file shall include:

(1) Suggestion, with any drawings, pictures, etc.

(2) Evaluation with detailed statistics of local savings based on tangible and intangible benefits.

Enclosure (3)

15 APR 1983

(3) All comments, recommendations, and other information aiding evaluation, implementation, or issuance.

b. Forwarding within DOD. When a suggestion may be adopted by other DOD components, the responsible office in DON will send it directly to their office counterpart within DOD. Suggestions for consideration in the immediate office of the Secretary of Defense will be sent to the office concerned. All referrals shall contain a concise statement about action expected from evaluation and a specific recommendation for adoption or non-adoption.

c. Forwarding outside DOD. Navy commands will send contributions with possible application in non-DOD agencies to the Naval Civilian Personnel Center (NCPC). Only NCPC will send contributions outside DOD for evaluation.

6. Publication of suggestions for awards. A suggestion not adopted but worthy of issuance as an improvement idea for optional use will be awarded \$100 under the following conditions:

a. Publication. The suggestion must be published in an office or major claimant publication and include sketches, photographs, etc., to allow implementation.

b. Identification. The published suggestion must be labeled with title, number and suggester's name, rate or rank and activity.

c. Award. The \$100 award is granted when a suggestion is reported as a result of publication. Adoption reports received as a result of publication may be granted an award in excess of \$100. The total award is based on actual benefits reported and includes the \$100 paid for publication.

7. Non-adoption notification. When a decision not to adopt a suggestion is made, the suggestor shall be notified in a manner encouraging continued participation in MILCAP. A full explanation of the decision with a copy of the evaluation report shall be supplied to the suggester. A decision not to adopt a suggestion shall not be based on existing regulations which prohibit implementation of the suggestion. General adoption is possible through changes to regulations and directives. Enclosure (7) discusses financing of general adoption of suggestions.

Enclosure (3)

15 APR 1988

PROCESSING GUIDE
TABLE I - FLOW CHART

CONTRIBUTOR

COMMAND MILCAP EVALUATOR *
ADMINISTRATOR

(A)

COMMANDING OFFICER
(\$5,000 maximum)

(R)

MAJOR CLAIMANTS
TYPE COMMANDERS
(\$7,500 maximum)

(R)

DEPARTMENT OF THE NAVY
AWARDS REVIEW PANEL (DARP)
(Recommends to SECNAV)

(R)

SECRETARY OF THE NAVY
(\$10,000 maximum)

PRESIDENT/SECRETARY OF DEFENSE
(\$25,000)

* The MILCAP Administrator will retain a copy of the Beneficial Suggestion while being evaluated. (A)

Notes:

1. See Table II for Processing Guide Responsibilities.
2. See Enclosure (1) for cash award authority.
3. See Tables III, IV and V for award scales.
4. See Enclosure (2), paragraph 3, and enclosure (3), paragraphs 3 and 4 for guidance with regard to situations where processing does not follow the normal pattern.
5. Chief of Naval Operations/Commander in Chief/Chief of Naval Research are also major claimants as stated in NAVCOMPTINST 7102.2. (NOTAL) (R)

Enclosure (3)

OPNAVINST 1650.8C
15 APR 1988

PROCESSING GUIDE
TABLE II - PROCESSING RESPONSIBILITIES

SUGGESTER -

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- o Identify a need/problem o Develop solution/contribution
 - o Collect/analyze facts o Submit suggestion (OPNAV 5305/1)
-

COMMAND MILCAP ADMINISTRATOR -

- o Check for duplication o Advise individual of action
 - o Forward to evaluator o Maintain record file
 - o Recommend amount of cash award
 - o After evaluation, forward to CO via chain of command
-

EVALUATOR -

- o Check for possible use o Check for accuracy/correctness
 - o Recommend adoption/non-adoption
 - o Return to command MILCAP administrator
-

COMMANDING OFFICER -

- o Authorize adoption/non-adoption
- o Authorize award payment (\$5,000 maximum)
- o Forward to higher authority for additional adoption/non-adoption recommendation and any additional awards.

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Enclosure (3)

MAJOR CLAIMANTS AND TYPE COMMANDERS -

- o Authorize adoption/non-adoption
- o Authorize award payment (\$7,500 maximum) (R)
- o Forward to SECNAV via Department of the Navy Awards Review Panel (DARP) for any additional awards. (R)

DEPARTMENT OF THE NAVY AWARDS REVIEW PANEL (DARP)

(R)

- o Review and recommend payment of awards exceeding \$7,500 to SECNAV.

SECRETARY OF THE NAVY -

- o Approves award payment (\$10,000 maximum)
- o Forward recommendations of award payment exceeding \$10,000 to Secretary of Defense.

PRESIDENT/SECRETARY OF DEFENSE -

- o Approves award payment exceeding \$10,000 (\$25,000 maximum).
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Notes:

1. See Table I for Processing Guide Flow Chart.
2. See enclosure (1) for cash award authority.
3. See Tables III, IV, and V for award scales.
4. See enclosure (2), paragraph 3, and enclosure (3), paragraphs 3 and 4 for guidance with regard to situations where processing does not follow the normal pattern.

Enclosure (3)

INVENTIONS

1. Definition. Development of a new and useful process machine, manufacture or composition of matter or any new and useful improvement thereof which is or may be patentable under patent laws of the United States.

2. Regulations. Inventions of value to the Government qualify for award consideration as contributions under MILCAP. Reference (d) contains the law governing inventions and patents. References (e) and (f) establish the basic Government patent policy about inventions made by Government employees. DON policy for the implementation of the law, executive orders and orders, rules and regulations as established is set forth in reference (g).

3. Procedures. An invention disclosure shall be made promptly to a Navy Office of Counsel to protect the interests of both the inventor and Government and to assure award eligibility. Patent statutes require that a patent application be filed within one year after (1) the invention is described in a printed publication, (2) the invention is in actual use (other than experimental), or (3) the invention has been sold or offered for sale. The disclosure should be sent directly to the Office of Counsel servicing the inventors employing activity.

(R)

(R)

a. Evaluation. Inventions disclosures will be evaluated based on DON procurement and use, DON interest, technological advancement, research and development, investments and public benefit value. Action will be taken to approve the invention for further patent or Statutory Invention Registration (SIR)* processing disclosure for publication consideration or end processing.

(R)

*A document that is similar to a patent in that it protects the inventor by preventing others from obtaining patent rights to the invention but, unlike a patent, a SIR does not permit the holder to exclude others from making, using or selling the invention

(A)

b. Patent/SIR application. When evaluation determines that an invention is viable, the Navy Office of Counsel will present the patent application to the U.S. Patent and Trademark Office for the inventor and will notify the inventor and the appropriate MILCAP authority. When notified, the MILCAP authority will begin action granting an initial award of \$200 to the inventor. Where two or more individuals or military members are co-inventors, each will be granted a \$200 initial award.

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15 APR 1988

c. Patent/SIR issue. When the U.S. Patent and Trademark Office issues a patent/SIR (or a notice allow-ability in those instances where issuance of a patent/SIR will be deferred because of security restrictions) the inventor becomes eligible for an additional \$500 award. Where two or more individuals or military members are co-inventors, the award to each eligible co-inventor will be \$250.

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d. Publication in lieu of patent/SIR. When an invention disclosure is selected for publication instead of further patent/SIR processing, the Navy Office of Counsel will send a copy of the publication draft and notification of selection for publication to the award authority. The award authority will then begin action to grant a \$100 award to the inventor. Where two or more individuals or military members are co-inventors, a \$200 award will be divided equally among the eligible co-inventors.

e. Invention awards for use or value to the Government. In addition to the above patent/SIR and publication awards, all inventions filed in the U.S. Patent and Trademark Office or selected for publication will be given further award consideration based on actual use or value. Therefore, awards authorized under this paragraph fall into two categories:

(1) Those specific amounts granted for inventions, patents/SIR and publications.

(2) Amounts based on actual use or value using Tables III, IV and V of this instruction for computation.

f. Invention awards are no longer offset against cash awards payable under other sections of the incentives awards program. The Federal Personnel Manual Subchapter 9, Inventions, now permit the predetermined invention awards to be separate and to stand alone. The Department of Defense (DOD) Components no longer offset the awards.

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g. Further consideration. Inventions failing to meet standards for patent/SIR or publication might be of value to DON. Such invention disclosures will be returned to the inventor who may then send them to an award authority for consideration.

15 APR 1988

SCIENTIFIC ACHIEVEMENT

1. Definition. A contribution conforming to the following guidelines:

a. Military or national significance: An act, deed, or accomplishment that established a scientific or technological basis for later technical improvements of military or other national significance. (R)

b. Research and development achievements: a scientific or technological accomplishment having such quality and effectiveness to advance research and development achievements of a command, group or project.

c. Military or national welfare: a significant scientific or technological achievement which contributes materially to the welfare of the armed services and/or the nation.

d. Published contributions: an article accepted for publication in a scientific or technical journal, newspaper, periodical and other media or a technical paper presented to professional societies making a large contribution to scientific or technical knowledge.

e. Tactical developments: tactically oriented advances or improvements in weapon system use when a military decoration is not appropriate or if benefits accumulate permitting monetary payment.

Military personnel are not authorized to receive case awards for performance under this instruction. Cash awards for a scientific achievement should not be confused with the civilian special act or performance cash awards. (A)

2. Procedures for recommending a Cash Award for a Scientific Achievement. All active duty personnel are eligible to submit a recommendation with the approval of the individual's supervisor. Submission for an award for scientific achievement must occur within three months of the achievement. The command/activity must fully develop and approve the achievement. (R)

a. Preparing the Recommendation. The suggestor or command may initiate a recommendation of the scientific achievement in narrative format using OPNAV Form 5305/1. (A)

(1) The first eight blocks of this form should be completed in full. Across the top of the block nine print or type "Scientific Achievement."

Enclosure (5)

15 APR 1988

(2) Supervisor will complete and sign an NAVSO 5305/5. In item 4, the achievement and its benefits must be completely described. This documentation should show clearly the results achieved and the tangible or intangible benefits. The major claimant MILCAP administrators are available to advise on determining benefits. This NAVSO 5305/5 should establish the achievement is attributable to the individual's actions and not to other factors. Once the NAVSO 5305/5 has been signed by the immediate supervisor in the bottom left block, this form should be signed by the commanding officer or equivalent in the bottom right block. This constitutes a recommendation of an award for the achievement.

(A)

b. Processing the Recommendation. Send the total package, OPNAV Form 5305/1, supporting data, and appropriately signed and completed NAVSO 5305/5 to the major claimant MILCAP administrator. You may obtain any further technical review through command channels to obtain any additional information or confirmation of the achievement. The recommendation award can be sent to the appropriate level of award approval.

(A)

c. Award Determination. Use tables 3, 4 and 5 of enclosure (7) only to determine award amount for a scientific achievement.

d. Award Approval Authorities. Use appropriate approval authority listed in enclosure (1).

3. Request for Reconsideration. The person who recommends a cash award for a scientific achievement may request reconsideration of an unfavorable decision within 30 days after the date of official notification. A written request should show the reasons for reconsideration. A request for personal oral presentation will also be honored. The oral presentation data must be fully documented in the case file after the presentation.

(A)

PRODUCTIVITY EXCELLENCE AWARDS

1. Purpose. The Secretary of Defense (SECDEF) Productivity Excellence Award and Letter of Commendations were formed to underscore the importance of productivity improvement within DOD by recognizing individuals and working groups, both military and civilian, whose ideas or suggestions have contributed to improved productivity or increased cost savings. (A)

2. Criteria. Two different levels of recognition are:

a. SECDEF Letters of Commendation: Letters signed by SECDEF to recognize individuals or small groups whose suggestions or other productivity initiatives have resulted in first year savings of \$100,000 or more. Nominations for this award may be submitted at any time.

b. SECDEF Productivity Excellence Award: Citations presented by SECDEF at a Pentagon ceremony to individuals or small groups whose suggestions or other productivity initiatives have resulted in first-year savings of at least \$1 million. Nominations for this award, granted annually, must be submitted not later than 15 October each year.

3. Procedure. In each instance where an achievement has produced tangible benefits in excess of \$100,000 and chain of command wishes to nominate an individual or group for SECDEF recognition, the following example gives information required:

EXAMPLE

Nomination for
Secretary of Defense Award for
Productivity Excellence

1. Eligibility (check appropriate boxes)

a. Award _____ Letter of Commendation _____

b. Individual _____ Group _____

2. Personal Data

*Name:
Grade/Rank:
Job Title:
Organization:

15 APR 1988

Official Mailing Address:

Type of Recognition Granted by Organization:

Award Amount and Date:

Tangible Benefits to DOD:

3. Description of Achievement:

4. Citation (Award only):

5. Review and Approval:

Nominated by: _____
(Name and Title)

Reviewed by: _____
(Name and Title)
(Major Claimant)

Approved by: _____
Specification Control
Advocate General of the Navy

*Note: If a group nomination, personnel data must be listed for all nominees.

15 APR 1988

DETERMINATION AND PAYMENT OF AWARDS

1. Award amount. Commands authorized to approve payment of cash awards shall use scales for tangible and intangible benefits in Tables III, IV and V. Awards for contributions with tangible benefits are based on estimated savings during first full year the contribution is used. Only savings involving labor, materials or service costs are included. Military labor costs will be calculated using composite standard military rates in paragraph 035750-4B of reference (h) and accelerated using accrual rates for other personnel costs such as retirement, leave and holiday in paragraph 035750-3B. Actual overhead costs should be included. Awards based on intangible benefits will be taken from the scale in Table V. Awards for contributions with tangible and intangible benefits may be based on a combination of both values. Awards will be paid by the benefitting command(s).

2. Initial award. Experimental work, trial tests or extended evaluations may cause delays deciding value of a suggestion. An initial cash award up to \$50 may be paid when estimated value of the contribution will be over \$500 and will be used. The initial cash award will be part of the total award paid. No downward adjustment of an initial cash award is authorized when final decision of the contribution's value is made.

3. Group award. The amount of a group award is based on total value of the contribution and shall be divided according to each individual's efforts.

4. Approval level. Awards shall be approved at the lowest possible level after documentation of award eligibility, adoption, or intent to adopt.

5. Financing award payments. Funding policy and detailed procedures for cash award accounting and payment are contained in paragraphs 032119, 046404 and 074144 of reference (h). All awards will be charged as an operating expense to Operation and Maintenance, Navy (O&MN) funds. When a command is funded only by Navy Industrial Fund; Research, Development, Test and Evaluation, Navy; or Military Construction, Navy, MILCAP awards may be charged to these funds. Awards of \$200 or less for contributions adopted from outside the local command will be financed by the originating, rather than the adopting, activity. Cash award payments are subject to withholding provisions of Federal Income Tax Laws and Medicare Deductions.

(R)

(R)

Enclosure (7)

a. Local awards. Local awards will be financed from approving command's Operating Target (OPTAR) funds or operating budget available to commanding officers approving awards or recommending award approvals at a higher level. In operating forces, type commanders will credit local commands for excess amounts where award payments exceed one percent of each OPTAR budget.

b. Adoption by other Navy commands. When a contribution is adopted by other commands, each shall report its savings to the MILCAP administrator of the originating command. The MILCAP administrator shall then compute the total award based on reported savings and decide the amount chargeable to each adopting command. Payment to the individual shall be made and a Voucher for Disbursement and/or Collection (NAVCOMP 2277) will be sent to each command involved. (R)

c. General adoption. Awards for contributions adopted by revision of manuals, regulations, instructions or other means of general distribution will be financed with funds available to the activity responsible for originating the document.

d. Adoption by DOD components. When a DOD component adopts a contribution originating within DON, a check or appropriate transfer voucher shall be sent to DON's MILCAP administrator (OP-132H) for the full amount payable to the recipient. When DON adopts a contribution originating in Department of Army, Air Force or other Defense agency, payment shall be financed from funds available to the command approving adoption of the contribution. (R)

e. Adoption by non-DOD agencies. Funds received from departments of the Government outside DOD in payment to Navy personnel shall be recieved by Naval Civilian Personnel Center (NCPC) for forwarding to the suggester's command for processing and payment. (R)

f. Navy adoption of non-DOD agency contribution. Payments to other Federal agencies for contributions adopted by DON shall be charged to funds available to the commands adopting contributions.

OPNAVINST 1650.8C
15 APR 1988

AWARD SCALE FOR TANGIBLE BENEFITS
TABLE III - CONTRIBUTIONS WITH TANGIBLE BENEFITS

<u>Estimated First-Year Benefits to Government</u>	<u>Amount of Award</u>
Up to \$10,000.....	10% of benefits
\$10,001 - \$100,000.....	\$1,000 for first \$10,000 plus 3% of benefits over \$10,000
\$100,001 and more.....	\$3,700 for the first \$100,000 plus 0.5% of benefits over \$100,000

Enclosure (7)

15 APR 1988

AWARD SCALE FOR TANGIBLE BENEFITS
TABLE IV - QUICK GUIDE FOR CALCULATING AWARDS BASED ON TANGIBLE BENEFITS

<i>Benefits</i>	<i>Award</i>	<i>Benefits</i>	<i>Award</i>	<i>Benefits</i>	<i>Award</i>	<i>Benefits</i>	<i>Award</i>	<i>Benefits</i>	<i>Award</i>
Up to \$10,000	10%	50,000	2,200	90,000	3,400	170,000	4,050	1,800,000	12,200
11,000	1,030	51,000	2,230	91,000	3,430	175,000	4,075	1,900,000	12,700
12,000	1,060	52,000	2,260	92,000	3,460	180,000	4,100	2,000,000	13,200
13,000	1,090	53,000	2,290	93,000	3,490	185,000	4,125	2,100,000	13,700
14,000	1,120	54,000	2,320	94,000	3,520	190,000	4,150	2,200,000	14,200
15,000	1,150	55,000	2,350	95,000	3,550	195,000	4,175	2,300,000	14,700
16,000	1,180	56,000	2,380	96,000	3,580	200,000	4,200	2,400,000	15,200
17,000	1,210	57,000	2,410	97,000	3,610	225,000	4,325	2,500,000	15,700
18,000	1,240	58,000	2,440	98,000	3,640	250,000	4,450	2,600,000	16,200
19,000	1,270	59,000	2,470	99,000	3,670	275,000	4,575	2,700,000	16,700
20,000	1,300	60,000	2,500	100,000	3,700	300,000	4,700	2,800,000	17,200
21,000	1,330	61,000	2,530	101,000	3,705	325,000	4,825	2,900,000	17,700
22,000	1,360	62,000	2,560	102,000	3,710	350,000	4,950	3,000,000	18,200
23,000	1,390	63,000	2,590	103,000	3,715	375,000	5,075	3,100,000	18,700
24,000	1,420	64,000	2,620	104,000	3,720	400,000	5,200	3,200,000	19,200
25,000	1,450	65,000	2,650	105,000	3,725	425,000	5,325	3,300,000	19,700
26,000	1,480	66,000	2,680	106,000	3,730	450,000	5,450	3,400,000	20,200
27,000	1,510	67,000	2,710	107,000	3,735	475,000	5,575	3,500,000	20,700
28,000	1,540	68,000	2,740	108,000	3,740	500,000	5,700	3,600,000	21,200
29,000	1,570	69,000	2,770	109,000	3,745	550,000	5,950	3,700,000	21,700
30,000	1,600	70,000	2,800	110,000	3,750	600,000	6,200	3,800,000	22,200
31,000	1,630	71,000	2,830	111,000	3,755	650,000	6,450	3,900,000	22,700
32,000	1,660	72,000	2,860	112,000	3,760	700,000	6,700	4,000,000	23,200
33,000	1,690	73,000	2,890	113,000	3,765	750,000	6,950	4,100,000	23,700
34,000	1,720	74,000	2,920	114,000	3,770	800,000	7,200	4,200,000	24,200
35,000	1,750	75,000	2,950	115,000	3,775	850,000	7,450	4,300,000	24,700
36,000	1,780	76,000	2,980	116,000	3,780	900,000	7,700	4,360,000	25,000
37,000	1,810	77,000	3,010	117,000	3,785	950,000	7,950		
38,000	1,840	78,000	3,040	118,000	3,790	1,000,000	8,200		
39,000	1,870	79,000	3,070	119,000	3,795	1,050,000	8,450		
40,000	1,900	80,000	3,100	120,000	3,800	1,100,000	8,700		
41,000	1,930	81,000	3,130	125,000	3,825	1,150,000	8,950		
42,000	1,960	82,000	3,160	130,000	3,850	1,200,000	9,200		
43,000	1,990	83,000	3,190	135,000	3,875	1,250,000	9,450		
44,000	2,020	84,000	3,220	140,000	3,900	1,300,000	9,700		
45,000	2,050	85,000	3,250	145,000	3,925	1,350,000	9,950		
46,000	2,080	86,000	3,280	150,000	3,950	1,400,000	10,200		
47,000	2,110	87,000	3,310	155,000	3,975	1,500,000	10,700		
48,000	2,140	88,000	3,340	160,000	4,000	1,600,000	11,200		
49,000	2,170	89,000	3,370	165,000	4,025	1,700,000	11,700		

NOTE: (1) Subject to change pending approval of OPM proposal.

15 APR 1988

TABLE V - AWARD SCALE FOR INTANGIBLE BENEFITS

VALUE OF BENEFIT	EXTENT OF APPLICATION			
	LIMITED	EXTENDED	BROAD	GENERAL
	• Affects functions, mission, or personnel of one office, activity, or an organizational element of a headquarters. ----- • Affects a small area of science or technology.	• Affects functions, mission, or personnel of several offices or activities. ----- • Affects an important specific area of science or technology.	• Affects functions, mission, or personnel of an entire regional area. ----- • Affects a broad area of science or technology.	• Affects functions, mission, or personnel of several regional areas or an entire department, or is in the public interest throughout the Nation or beyond.
Moderate Value - Change or modification of an operating principle or procedure which has value sufficient to meet the minimum standards for a cash award; an improvement of rather limited value of a product, activity, program, or service to the public.	\$25 - \$100	\$100 - \$250	\$250 - \$500	\$500 - \$1,000
Substantial Value - Substantial change or modification of an operating principle or procedure; an important improvement in value of a product, activity, program, or service to the public.	\$100 - \$250	\$250 - \$500	\$500 - \$1,000	\$1,000 - \$2,500
High Value - Complete revision of a basic principle or procedure; a highly significant improvement to the value of a product, major activity, program or service to the public.	\$250 - \$500	\$500 - \$1,000	\$1,000 - \$2,500	\$2,500 - \$5,000
Exceptional Value - Initiation of a new principle or major procedure; a superior improvement to the quality of a critical product, activity, program, or service to the public.	\$500 - \$1,000	\$1,000 - \$2,500	\$2,500 - \$5,000	\$5,000 - \$10,000

NOTES:

1. Minimum award for tangible benefits may be granted only when benefits reach or exceed \$250. Minimum award for intangible benefits should require a comparably high standard.
2. When a contribution has both tangible and intangible benefits, amount of award is based on total value of contribution to the Government, i.e., a combination of award amount based on intangible benefits.
3. Subject to change pending approval of OPM proposal.

CASH AWARDS FOR PRICING HOTLINE INQUIRIES

(A)

1. Purpose. A specific initiative of the Buy Our Spares Smart (BOSS) Program is to recognize employees who contribute to the reduction of spares prices and/or to increasing the competition effort. To support this initiative, revised procedures are required to provide monetary awards for benefits achieved as a result of Navy Pricing Hotline inquiries. The Pricing Hotline Awards Program has been set up to complement the existing military and civilian awards programs.
2. Objective. To encourage Navy military and civilian personnel to submit pricing inquiries to the Navy Pricing Hotline that will result in improved spare parts management.
3. Discussion. The Navy Fleet Material Support Office (FMSO) operates the Navy's Pricing Hotline as a part of Naval Supply's Buy Our Spares Smart (BOSS) Program. All personnel have been encouraged to use the Pricing Hotline when they notice a price or action which appears excessive. FMSO will investigate each challenge and if actual monetary savings does occur, monetary awards for individuals submitting pricing hotline inquiries will be paid. Monetary awards for individuals submitting Pricing Hotline inquiries that generate a savings will be centrally determined and funded by FMSO. The inquirer's originating command will make actual payments based on a funding citation from FMSO. A certificate of commendation from FMSO will accompany each recommended cash award. This change affects only price challenges received at FMSO on or after the date of this instruction. Price challenges currently in process or received prior to the date of the instruction are still eligible for awards funded by the benefiting command. Reference (k) will be updated to include procedures for administration, operation and reporting of monetary awards for Navy military and civilian personnel resulting from Navy Pricing Hotline inquiries.
4. Action
 - a. FMSO
 - (1) Determines eligibility and amount of monetary awards;
 - (2) Notifies originating activity and provides funding authority; and

Enclosure (8)

OPNAVINST 1650.8C

15 APR 1988

(3) Validates payments and prepares appropriate reports per this instruction.

b. Originating Activities

(1) Upon notification from FMSO, make monetary awards using funding citations provided;

(2) Forward copy of payment document to FMSO (Code 913);

(3) To preclude duplicate reporting, ensure these awards are not reported locally; and

(4) Ensure a copy of the award certificate goes into the inquirer's personnel record.

5. Promotion. Navy commands are requested to continue efforts to promote competition and fair prices by encouraging all hands to recognize and challenge prices they believe are out of line and ensure awareness of the rewards available through the Pricing Hotline Award program. Use of this program enhances participation rates in the Navy's MILCAP Program.

Enclosure (8)

PROMOTION AND PUBLICITY GUIDANCE

1. Background. This enclosure provides guidance for officials and award administrators to promote MILCAP. It contains promotion ideas for award administrators.
2. Techniques. Promotion and publicity techniques and materials must be tailored to appeal to various personnel levels and must be presented frequently. Personnel should be reminded of the continuing need for efficiency and economy and encouraged to offer improvement ideas. Individuals must be convinced their ideas and improvement efforts are wanted and appreciated. Department and division heads must also be convinced of the value of MILCAP suggestions and persuaded to encourage submission from their personnel.
3. Command support. For MILCAP to be effective, command support and interest must be maintained. The following list recommends suggestions for generating command support and interest in MILCAP.
 - a. Supply command leadership with MILCAP progress reports and statements showing effectiveness of Navy-wide and local programs in comparison to other naval activities.
 - b. Invite officers to participate in command award ceremonies and suggestion drives.
 - c. Request statements of command support of MILCAP for publication in local media.
 - d. Route articles and publications about suggestions and MILCAP philosophy for review.
 - e. Establish reasonable targets for submission of suggestions.
 - f. Encourage MILCAP as a topic for discussion at staff meetings.
 - g. Encourage command recognition of meaningful achievement, to include the Navy Achievement Medal, letters of commendation, reserved parking privileges, watchstander's liberty for a specific duration, use of "head of the line" privileges (mess, liberty, ship's store, etc.), special liberty passes, etc.
4. Department head and division officer support. Department head and division officer understanding and support of MILCAP

OPNAVINST 1650.8C
15 APR 1988

will be influential in individual participation. If they successfully set up a work atmosphere encouraging and motivating personnel to seek better methods to conduct the Navy's business, the value of MILCAP will increase significantly. The following are suggestions for gaining department head and division officer support.

- a. Encourage department heads and division officers to submit suggestions themselves.
- b. Encourage MILCAP as a topic of discussing at department and division meetings.
- c. Include MILCAP regularly as an item during development training.
- d. Include department heads and division officers in award ceremonies.
- e. Provide regular reports on MILCAP progress.
- f. Encourage department heads and division officers to supply required quantities of suggestion forms for their personnel.

5. Motivating personnel. Personnel must be motivated to generate an active interest in their department or division problems, look for inefficiencies or waste and improve operations. The following are suggestions for stimulating interest and participation in MILCAP:

- a. Division officers make personal contact about MILCAP participation in evaluation sessions and group meetings.
- b. Make MILCAP a specific topic for presentation during indoctrination classes.
- c. Supply MILCAP promotion materials to all new personnel.
- d. Direct suggestion messages at particular groups of individuals such as office workers, repair facility workers or by rate grouping such as aviation, engineering, construction, deck, etc.
- e. Identify a specific individual from whom personnel may receive MILCAP information and guidance.
- f. Make displays or exhibits showing successful suggestions.

Enclosure (9)

g. Use bulletin boards displaying pictures of MILCAP award ceremonies and successful suggesters.

h. Supply charts or discriptions of processing channels, extensive study given to ideas, and reasons for time needed to evaluate a suggestion.

i. Recognize outstanding suggesters with special ceremonies held in their honor presenting appropriate honorary awards, certificates, etc.

j. Keep personnel informed of progress and status of their suggestion.

k. Give certificates or letters of appreciation to suggesters with adopted ideas which do not qualify for the minimum cash award.

l. Devise a special letter of encouragement for personnel who have submitted suggestions which were not adopted.

m. Aid personnel in preparing suggestions and photographs explaining ideas.

n. Publicize that awards granted for adopted suggestions are included in personal evaluations.

o. Give special recognition to successful suggesters by mailing copies of local station paper to families of award recipients.

p. Explain special awards and benefits received when adopted suggestions have patentable features of interest to the Government.

q. Create a special promotional character, such as "John Paul Jones," for local use.

r. Publish human interest stories about MILCAP award winners telling how they came up with their successful ideas and what they intend to do with their awards.

s. Name important improvements, methods or techniques after the suggester.

t. Publicize suggestions used for more than a year reinforcing their command importance.

Enclosure (9)

6. Informing the public. Keeping the public informed of the goals and accomplishments of MILCAP is an important part of a successful local promotion effort. This improves the uniformed service image locally and tells the story of military personnel helping to get more defense from each taxpayer's dollar. When individual efforts receive such recognition, then more personnel are encouraged to participate in overall command improvement. Publication of individual achievements and recognition also helps recruitment efforts.

a. Send stories of individual suggestion achievements for publication in civilian trade magazines, union papers, science journals, etc.

b. Give local media the command's goals and results of MILCAP.

c. Display the MILCAP story for public viewing during Navy Day and other open-house days.

d. Invite families and friends of award recipients to attend MILCAP award ceremonies. Community leaders should also be invited.

MILCAP REVIEW CHECKLIST

	YES	NO
1. Command has named a MILCAP administrator for the program.....	___	___
2. Training on suggestion program is included in new personnel orientation and supervisory training.....	___	___
3. Suggestion program is publicized, including publicizing information on people who receive cash awards and reasons cash awards were granted...	___	___
4. Processing of suggestions is prompt and within prescribed time limits - 30 days from date of receipt at each approval level.....	___	___
5. A tracking system has been established for suggestions being processed and evaluated.....	___	___
6. Annual suggestion program report submitted via chain of command.....	___	___
7. Annual Command review of suggestion program is conducted.....	___	___
8. Rate of personnel participation in the suggestion program is acceptable. Participation rate is ___%	___	___

(R

15 APR 1988

INCENTIVE AWARDS ANNUAL REPORT
(MILITARY PERSONNEL)

1. General

a. Reporting requirements. To monitor the DON Military Cash Awards Program (MILCAP) and satisfy DOD and congressional reporting requirements, an annual report on program operation is mandatory.

b. Report form. Reports shall be on DD Form 1609, Incentive Awards Program Annual Report, Report Control Symbol DD-M(A) 1345 (1650). A blank form is included as part of this enclosure.

2. Instructions for completing report form

a. General instructions

(1) Round off all figures to nearest dollar amount.

(2) Reporting command, title and address will be shown in "Reporting Department or Agency" block at top of form.

(3) Comply with "Instructions" on form.

b. Part A - Awards for Suggestions

(1) Non-Cash Awards. Enter number of non-cash awards granted with tangible benefits (group awards are considered as one award), total tangible benefits and number of non-cash awards with intangible benefits.

(2) Cash Awards. Under "For Tangible Benefits," enter number of cash awards granted (group awards are considered as one award), total tangible benefits and total dollar amount of awards. Under "For Intangible Benefits," enter number of awards granted and total dollar amount of awards.

(3) Total. Add non-shaded columns and enter total amounts.

(4) Number of Suggestions. Enter number of suggestions on hand as of 1 October of reporting fiscal year, number of suggestions received in reporting fiscal year, number of suggestions adopted in reporting fiscal year, number of disapproved suggestions in reporting fiscal year, and number of suggestions pending at end of reporting fiscal year. This reporting line will balance when the following formula is used: $(\text{On Hand at Beginning of Year}) + (\text{Received}) - (\text{Adopted}) - (\text{Disapproved}) = (\text{Pending End of Year})$.

Enclosure (11)

c. Part B - Awards for Inventions

(1) Initial Award Based on Invention Disclosures. Enter number of initial awards granted for invention disclosures and total amount of awards.

(2) Awards Based on Patents Issued. Enter number of awards granted, based on patents issued, and total amount of awards.

(3) Additional Awards. Enter number of additional awards granted based on additional use by other activities and total amount of awards.

(4) Total. Add non-shaded columns and enter total amounts.

d. Part C - Awards for Scientific Achievements

(1) Non-Cash Awards. Enter number of non-cash awards granted with tangible benefits (group awards are considered as one award), total tangible benefits and number of non-cash with intangible benefits.

(2) Cash Awards. Under "For Tangible Benefits," enter number of cash awards granted (group awards are considered as one award), total tangible benefits, and total dollar amount of awards. Under "For Intangible Benefits," enter number of awards granted and total dollar amount awards.

(3) Total. Add non-shaded columns and enter total amounts.

e. Part D - Distribution of Cash Awards

(1) Enlisted Personnel. Under "Suggestions," enter number of awards and total dollar amounts granted to enlisted personnel of the reporting activity. Under "Inventions," enter number of awards and total dollar amounts granted to enlisted personnel of the reporting activity. Under "Scientific Achievements," enter number of awards and total dollar amounts granted to enlisted personnel of reporting activity. Under "Average Number of Personnel on Board in Fiscal Year," enter average number of enlisted personnel assigned to the activity during the reporting year.

(2) Officer Personnel. Under "Suggestions," enter number of awards and total dollar amounts granted to officer

personnel of the reporting activity. Under "Inventions," enter number of awards and total dollar amounts granted to officer personnel of the reporting activity. Under "Average Number of Personnel on Board in Fiscal Year," enter average number of officer personnel assigned to the activity during the reporting year.

(3) Total. Add enlisted and officer columns and enter total amounts. Note: These totals must equal totals of Parts A, B and C of this form.

f. Part E - Interdepartmental Referral of Suggestions. The "Outside Department of Defense" line shall be left blank. NCPC is responsible for coordinating referrals outside DOD and shall report directly to (OP-132H) on status of referrals. The remainder of this section is self-explanatory. (R)

g. Part F - Description of Significant Contributions. A brief, one paragraph description of each suggestion for which a \$1,000 award was paid is required. Ensure individual's name, rank, activity assigned and area location are included in the narrative. Noteworthy inventions and scientific achievements also are to be included.

h. Part G - Narrative Evaluation. This section is not an option. Specific comments are required from each command, detailing MILCAP procedures, problems, techniques used and plans or proposals for improving local MILCAP.

i. Signature line. Under "Type Name and Title of Reporting Official," include signature authority's commercial and autovon telephone numbers. Signature is required on the report form.

3. Submission of report

a. All command shall send reports to major claimants, type commanders for operating forces, in time to allow for consolidation and submission to the Chief of Naval Operations (OP-13). Consolidated reports will be sent to Chief of Naval Operations (OP-132H) not later than 25 calendar days following end of the fiscal year. (R)

b. Negative reports are required.

Enclosure (11)

INCENTIVE AWARDS PROGRAM ANNUAL REPORT (MILITARY PERSONNEL)				FISCAL YEAR ENDING		REPORT CONTROL SYMBOL DD FORM 1345	
This report is required by the Department of Defense for reporting to the President and Congress in accordance with 10 USC 1124. (Ref.: DoD Instruction 5120.16) (Ref.: OPNAVINST 1650.8B)							
TO				REPORTING DEPARTMENT OR AGENCY			
INSTRUCTIONS							
1. Report awards for combined measurable and intangible benefits under "Tangible Benefits." 2. Count only one award per case. Do not include a count for supplemental awards. 3. Include the dollar amount of supplemental awards under the "Amount of Awards" Column.				4. Include as Non-Cash Awards, any Certificates of Appreciation, special citations, etc. approved as meaningful awards under the Incentive Awards Program. 5. For the number of suggestions received, count only the initial receipt of cases from personnel of your department. Do not count requests for reconsideration of cases already processed.			
PART A - AWARDS FOR SUGGESTIONS							
AWARDS	FOR TANGIBLE (MEASURABLE) BENEFITS			FOR INTANGIBLE BENEFITS			
	NUMBER OF AWARDS	TANGIBLE BENEFITS	AMOUNT OF AWARDS	NUMBER OF AWARDS	AMOUNT OF AWARDS		
NON-CASH AWARDS		\$					
CASH AWARDS		\$	\$		\$		
TOTAL		\$					
SUGGESTIONS	NUMBER OF SUGGESTIONS						
	ON HAND AT BEGINNING OF YEAR	RECEIVED	ADOPTED	DISAPPROVED	PENDING END OF YEAR		
PART B - AWARDS FOR INVENTIONS							
AWARD TYPES	NUMBER OF AWARDS	AMOUNT OF AWARDS		TANGIBLE BENEFITS			
INITIAL AWARD BASED ON INVENTION DISCLOSURES		\$					
AWARDS BASED ON PATENTS ISSUED		\$					
ADDITIONAL AWARD		\$		\$			
TOTAL		\$					
PART C - AWARDS FOR SCIENTIFIC ACHIEVEMENTS							
AWARDS BASED ON SCIENTIFIC ACHIEVEMENTS	FOR TANGIBLE (MEASURABLE) BENEFITS			FOR INTANGIBLE BENEFITS			
	NUMBER OF AWARDS	TANGIBLE BENEFITS	AMOUNT OF AWARDS	NUMBER OF AWARDS	AMOUNT OF AWARDS		
NON-CASH AWARDS		\$					
CASH AWARDS		\$	\$		\$		
TOTAL		\$					
PART D - DISTRIBUTION OF CASH AWARDS							
	SUGGESTIONS		INVENTIONS		SCIENTIFIC ACHIEVEMENTS		AVERAGE NUMBER OF PERSONNEL ON BOARD IN FISCAL YEAR
	NUMBER OF AWARDS	AMOUNT PAID	NUMBER OF AWARDS	AMOUNT PAID	NUMBER OF AWARDS	AMOUNT PAID	
ENLISTED PERSONNEL		\$		\$		\$	
OFFICER PERSONNEL		\$		\$		\$	
TOTAL		\$		\$		\$	

DD FORM 1609 (5/N 0102-LF-001-6090)

15 APR 1988

PART E - INTERDEPARTMENTAL REFERRAL OF SUGGESTIONS						
	NUMBER CASES REFERRED TO ANOTHER DEPARTMENT OR AGENCY	NUMBER CASES WITH ADOPTIONS BY ANOTHER DEPARTMENT OR AGENCY	TOTAL AMOUNT		NUMBER CASES APPROVED	NUMBER CASES PENDING AT END OF YEAR
			TANGIBLE BENEFITS FROM ADOPTION BY OTHER DEPARTMENTS/ AGENCIES	AWARDS PAID BY OTHER DEPARTMENTS/ AGENCIES		
OUTSIDE DEPARTMENT OF DEFENSE			\$	\$		
WITHIN DEPARTMENT OF DEFENSE			\$	\$		
TOTAL			\$	\$		

PART F - DESCRIPTION OF SIGNIFICANT CONTRIBUTIONS

Attach a one-paragraph description of each suggestion for which an award of \$1,000 or more was paid. (Include name, rank, installation and/or command, and location.) Also provide brief description of noteworthy inventions and scientific achievements for which awards were granted.

PART G - NARRATIVE EVALUATION

Prepare a narrative evaluation of the incentive awards program for military personnel in your component. Include the following topics plus any additional significant information (If more space is required, continue on an additional sheet and attach):

1. Significant problems encountered and action taken to overcome them.
2. Particularly effective techniques used.
3. Significant results achieved (other than those reflected in statistics).
4. Plans for increasing program effectiveness during next fiscal year.
5. Proposals for DoD consideration regarding changes in policies, instructions, etc.

DATE	TYPED NAME AND TITLE OF REPORTING OFFICIAL	SIGNATURE
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